

HOW

Unequal and Unjust Taxation

AFFECTS THE INTERESTS

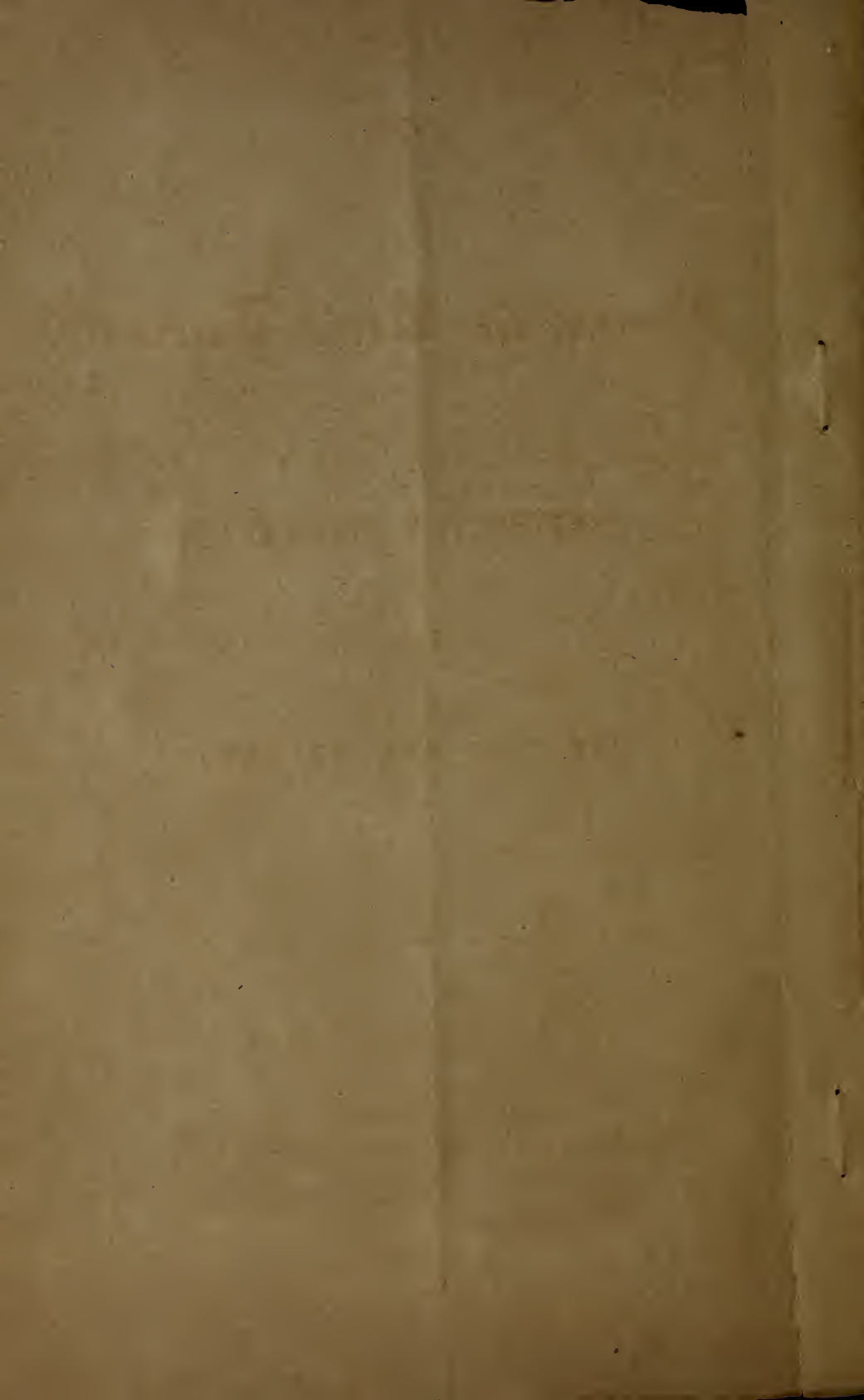
OF THE

CITIZENS OF PENNSYLVANIA.

Re. Penna. R.R.

PHILADELPHIA:
PRINTED BY RINGWALT & BROWN,
34 SOUTH THIRD STREET.

1861.



HOW

Unequal and Unjust Taxation

AFFECTS THE INTERESTS

OF THE

CITIZENS OF PENNSYLVANIA.

Penn. R. R. Co.

PHILADELPHIA:
PRINTED BY RINGWALT & BROWN,
34 SOUTH THIRD STREET.

1861.

RECEIVED
JAN 11 1890
LIBRARY

385.15
P389h

APR 11 A.P.

A SKETCH OF IMPROVEMENTS CONNECTING THE EAST AND THE WEST—ORIGIN OF THE PENN- SYLVANIA RAILROAD.

Previous to the commencement of the present century, the importance of connecting the valley of the Ohio river and the shores of the North-western lakes with the Atlantic seaboard, was fully appreciated in at least four States of the Union, viz: New York, Pennsylvania, Maryland, and Virginia. General Washington gave as one reason for locating the Capital of the United States on the banks of the Potomac river, the opinion, that at no distant day, that stream would mark the great channel of communication between the East and the West; and as far back as 1791 a "Society for promoting the improvement of roads and inland navigation," of which Robert Morris was President, memorialized the Pennsylvania Legislature on the importance of connecting the waters of the Delaware and the Ohio. From time to time explorations of rivers, creeks, and courses were made, both by National and State authority, all having in view the single idea of opening the ports of the Atlantic to the trade of the West. The pressing necessity for some improvement tending to this result can readily be understood, when it is known that the only outlet for the produce of western Pennsylvania, and the new States of Ohio, Illinois, Indiana, and Missouri, was by way of the Mississippi and its tributaries to New Orleans, a distance of more than two thousand miles of difficult river navigation, to be overcome without the important modern auxiliary of steam.

New York, prompted by the far-seeing De Witt Clinton, was the first to take decisive steps toward the accomplishment of this great internal improvement scheme. Immediately after the war of 1812, the population of the North-west increased

with great rapidity, and some means of communicating with it became an imperative necessity. New York was at that time in the full tide of her commercial success. She had outstripped Philadelphia, her rival, and her merchants were determined to maintain their supremacy. That State possessed advantages for the construction of a canal, (the best means of internal communication then known,) from the navigable waters of the East to those of the West, that were not enjoyed by any of her competitors. The gigantic barrier of the Allegheny mountains, which rose like an impassable wall in Pennsylvania, Maryland and Virginia, did not exist on the route where the canal was to be located. Those advantages considered, and with wealth and enterprise in abundance, her people commenced the construction of the Erie Canal on the 4th day of July, 1817. Ten years later, in 1827, that work—the greatest of the kind the world had yet seen—was completed, and the city of New York was connected by water with Lake Erie.

The advantages derived from that improvement were immense. The commerce and inland trade of the city were increased, and she held in her monopolizing grasp all the wealth of the mighty empire growing up West of the Allegheny mountains. A knowledge of these facts induced the people of Pennsylvania to cease theorizing and to undertake something practical; and accordingly we find that, on the 4th day of July, 1826—nine years after the commencement of similar works by her competitor—ground was broken on the Main Line of Public Improvements. In 1834, that line of Canal and Railroad was completed and placed in operation. New York had then enjoyed a monopoly of the western trade for seven years, and when Pennsylvania opened her improvements for competition, that monopoly was estimated to be worth to her rival, in the way of trade, sixty millions of dollars per annum. But while Pennsylvania was struggling with her single line of Railroad and Canal, New York had commenced two separate railroads, the Central and the Erie. From year to year portions of these were completed, reducing the time between the East and the West, and attracting trade and travel. The Main Line of the Pennsylvania Improvements proved to be at least a partial failure. It was too

complicated, and consequently was worked at too great an expense. This the intelligent business men in every portion of the State soon discovered, and the necessity of an uninterrupted railroad, leading from Philadelphia to Pittsburg, through the heart of the Commonwealth, was considered imperative. On the North, two lines of railroad were being constructed, and on the South, the Baltimore and Ohio had become more than mere fancy. The condition of this Commonwealth was at that time anything but enviable. All her projected and completed improvements had, to a certain extent, failed. She was burthened with a heavy debt. Her credit abroad had been destroyed; and, as a writer on this subject remarked, "the commercial injury thus inflicted upon her was beyond all calculation. Thirty years had been lost in the race for the Golden Fleece of the West—lost to Pennsylvania but gained to New York, making the commercial progress of the latter the most brilliant in the world, and that of the former merely an inglorious struggle to keep up appearances."

It was in the midst of this depression that a Convention of those favorable to the construction of a railroad through the centre of Pennsylvania, was called. That Convention assembled in Harrisburg, on the 6th of March, 1838. Delegates were present from twenty-seven counties of this Commonwealth, including Philadelphia and Pittsburg. Nearly the first business transacted was the adoption of the following resolution:

"Resolved, That a committee be appointed to inquire into and report in reference to the expediency of an immediate survey of a continuous line of railroad, by the most practicable route, between the cities of Philadelphia and Pittsburg."

On the second day of the session of the Convention, a memorial was adopted, addressed to the Pennsylvania Legislature, which concluded as follows:

"In asking the attention of the Legislature to this subject, (the construction of the proposed road,) your memorialists can not refrain from dwelling, with pleasure, on the prospect of that vast and thriving population which is destined at no distant day to fill the fertile regions bordering the lakes and rivers of the West, nor from remarking, with equal pride and satisfaction,

the fact, that with a great proportion of the mercantile community already established in those regions, the city of Philadelphia is the first choice as a market for their produce, and a source of their supplies; and while they would seek to manifest to the citizens of other States the due acknowledgment of this tribute to the integrity of our merchants, your memorialists feel assured that their fellow-citizens in other portions of the Union will find in the proposed action of the Legislature, an earnest of that cordial reciprocity of benefits which, while she looked with a just regard to her own interests, *has ever distinguished the liberal policy of Pennsylvania.*"

From this Convention may be traced the origin of the Pennsylvania Railroad. True, it was not until the year 1846 that the law incorporating that Company was passed, but the action of the Convention had brought the necessity of such an improvement to the attention of the public, and a few enterprising men continued to urge it until the work was commenced. At the time this project of a great railroad through Pennsylvania originated, it was considered a subject of *general* importance. No sectional feeling was exhibited toward it—no local prejudices were placed as stumbling-blocks in its way. It was agreed by prominent men from all parts of the State that the great cities of Philadelphia and Pittsburg—the one lying upon the waters of the Atlantic, and looking toward a world for commercial enterprise; the other, placed in the centre of a territorial radius, destined soon to become the granary of civilization, with uninterrupted river navigation into the heart of the tropics—should be united by the iron bonds of a road in which every citizen of Pennsylvania would have a common interest and a common pride. The progress of these two great cities, it was perceived, would develop the agricultural and mineral wealth of a great Commonwealth, and would animate all the towns and villages connected with them by calling into life manufacturing enterprises of various kinds.

The effects produced by the construction of the road have been such as were predicted, but the noble policy which originated it has been departed from. An onerous burthen has been imposed upon its trade—a burthen which cramps its

energies, injures its reputation, and operates to the advantage of its rivals. The pledge of liberality which was published to our sister States when this great railroad project was originated, has been forgotten; and instead of inviting the respect and confidence of their people, we have labored to drive them away. It is time that we should calmly and earnestly think upon these things. It is time for us to ask whether the course we are pursuing in taxing the business and trade of our own citizens, and those of neighboring States, is fair and honorable—is dictated by a wise policy, and is consistent with the immutable laws of justice and equality. Let us reason together on these questions.

THE DESIGN OF THE PENNSYLVANIA RAILROAD — WHAT IT COST, AND WHO CONSTRUCTED IT.

We have already stated that the design of the Pennsylvania Railroad was to secure to the State that liberal proportion of the trade of the West to which she was, by her geographical position, so justly entitled. It was not intended to rival any improvement owned by the Commonwealth. No portion of the Main Line of Public Improvements was productive, save only the Columbia Railroad, and to this the Pennsylvania was tributary. From the day it was opened between Harrisburg and Hollidaysburg, it brought an increased travel to the eastern end of the Main Line and put money in its purse. This fact was acknowledged by the Canal Commissioners in their report of 1852, wherein it was shown that almost the entire increase of revenue for that year, on all the public improvements owned by the State, was from the Columbia Railroad. Governor Bigler, in his message to the Legislature of 1853, says that "the net profits of the Columbia Railroad for 1852 have been nearly double the amount of the net revenue from all the other branches of the public works." This one fact shows that the rivalry of the Pennsylvania Railroad never resulted in any injury to the Commonwealth by decreasing her revenue from the Main Line. On the contrary, that line was actually made more productive by the construction of the road. The rivalry which had destroyed the Main Line of Pennsylvania Improvements existed outside of this State. It was the rivalry of

New York and Maryland, which States had constructed avenues of trade around Pennsylvania, more expeditious and economical than any within her borders.

The Pennsylvania Railroad was constructed for the purpose of bringing back to our limits a trade that had been drawn away from us by enterprising rivals—for the purpose of regaining a treasure which had been lost by bad management on our own part. From the day that the engineers went upon the line, the work steadily progressed until it was completed. The honor of Pennsylvania was at stake, and nobly was it upheld in the construction of this great work.

It is well to glance here at the opposition which this road met with from the citizens of rival States. In New York reports were industriously circulated that the Alleghenies could not be crossed without the use of inclined planes, and, as these were considered dangerous, the road could never become popular and be made to pay. The grades, it was declared, were too heavy to permit of a remunerative freight business; and a thousand other “weak inventions of the enemy” were spread to the winds. Baltimore was more merciful, but she sneered at us; and the New England States swelled the chorus of detraction. Still the work progressed. When money was needed, it was always forthcoming; and it is a subject for just congratulation that most of it came from the pockets of our own people. At length the line was completed, and our self-styled metropolitan rival discovered that she had a real competitor for the trade of the West. She prepared herself for the contest by repealing the tax on tonnage which had been imposed on the roads running in competition with her State Canals. On the 10th of July, 1851, just at the time when our road was going into operation, her Legislature passed a law which provides that “it shall not be necessary for any railroad company in this State, (New York,) to pay any sums of money into the treasury of this State on account of the transportation of property on any railroad on and after the first day of December, 1851.” We had joined in the race of competition, but our rival still preserved the advantage.

The Pennsylvania Railroad Company has now in successful operation 360 miles of road, which cost the sum of \$30,000,000. This sum may be divided as follows :

Individual subscriptions,	-	-	\$7,300,000
Philadelphia subscription,	-	-	5,000,000
Allegheny county subscription,	-	-	1,000,000
Purchase of Main Line from State,	-	-	7,500,000
Bonds,	-	-	9,200,000
			<hr/>
Total,	-	-	\$30,000,000
Add cost of Harrisburg and Lancaster			
Road, forming part of the line,	-	-	\$1,882,450
			<hr/>
Total cost of road,	-	-	\$31,882,450

Of the individual subscriptions, amounting to \$7,300,000, nearly all are held in Pennsylvania, and are divided among a very large number of citizens representing all classes of society. It will thus be seen, that of the thirty millions of dollars directly invested in the Pennsylvania Central, over twenty millions are held in this State—a much larger proportion than can be shown, it is believed, by any other railroad of the same magnitude in the United States. It may, therefore, be most emphatically termed a *Pennsylvania Railroad*.

It will not be pretended by any man that the city of Philadelphia, or the county of Allegheny, embarked in this enterprise for purposes of speculation. Those great communities had higher objects in view than the mere construction of a dividend-paying improvement; and if this is unquestionably true of them, may it not also be said of many of the individual stockholders? They looked upon the road as a necessity—as an indispensable requisite for our future prosperity and greatness as a Commonwealth. In the language of the Philadelphia Councils, they “advanced their money to make the improvement, mainly for the important benefits they expected to derive, indirectly, from the developed resources, the augmented trade, and the stimulated industry of the State. And this is the object they still cherish, and for which they are solicitous to have the duty taken off the tonnage of a road, which is the

chief means by which we can reasonably hope to withstand a fierce competition with rival communities for the carrying trade between the Atlantic cities and the West." These facts are worthy of serious consideration. To relieve the Pennsylvania Central from this onerous burthen will prove beneficial to our own citizens, who will thus be enabled to extend the field of their industry and enterprise by being brought in closer contact with the people of sister States.

WHAT THE PENNSYLVANIA RAILROAD HAS ALREADY DONE FOR THE STATE, AND WHAT IT CAN DO HEREAFTER, IF LEFT UNTRAMMELED.

It has been remarked that, at the time the Pennsylvania Railroad was put in operation, the carrying trade between the Western States and the Atlantic seaboard had been almost entirely monopolized by the rival lines of New York and Maryland. It has also been stated that a painful knowledge of this fact was the principal incentive that induced the enterprising citizens of Pennsylvania to commence the construction of this road. An uninterrupted line of railroad, connecting the two great cities of the State, was considered an "imperative necessity" if Pennsylvania was to maintain her position as a commercial and business centre. The Main Line of State works had failed to accomplish these desired results. For purposes of through passenger transportation that line was useless, and its local travel was comparatively insignificant. As an investment it was yearly losing money for the people of the Commonwealth.

The Pennsylvania Railroad was opened in 1851, and what was the immediate result? From Harrisburg to Pittsburg real estate increased immensely in value: the agricultural, mineral, and manufacturing resources of the interior of the State were developed: population was enhanced at an almost unprecedented ratio; and the tide of wealth was turned back through the heart of the old Keystone. To show that we do not exaggerate these

facts, we submit the census of the counties on the line of the road for the years 1850 and 1860:

COUNTIES.	POPULATION, 1850.	POPULATION, 1860.	INCREASE.	RATE PER CT.
Dauphin, - -	35,754	48,640	12,886	36
Perry, - - -	20,088	22,940	2,852	14
Juniata, - - -	13,029	16,300	3,271	25
Mifflin, - - -	14,980	16,378	1,398	9
Huntingdon, -	24,786	26,167	1,381	5
Blair, - - -	21,777	27,785	6,008	27
Cambria, - - -	17,773	29,313	11,540	66
Indiana, - - -	27,170	33,869	6,699	24
Westmoreland,	51,726	54,020	2,294	4
Allegheny, - -	138,290	180,074	41,784	30
	365,373	455,486	90,113	25 Av.

Add the Counties on Harrisburg and Lancaster and Columbia Railroads, both of which are now under the management of the Pennsylvania Railroad Company:

COUNTIES.	POPULATION, 1850.	POPULATION, 1860.	INCREASE.	RATE PER CT.
Lancaster, - -	98,944	116,621	17,677	17
Chester, - - -	66,438	74,749	8,311	12
Philadelphia, -	408,144	568,304	160,160	40
	573,526	759,674	186,148	33 Av.

Here we have a total population, residing on the direct line of the Pennsylvania Road, of one million two hundred and fifteen thousand one hundred and sixty souls, (1,215,160,) almost one-half of the total population of the State. And these counties and cities have, during the past ten years, shown a per centage of increase greater than that of any other tier of counties in the State, excepting only those in which great mineral developments or other extraordinary discoveries, have been made.

We might refer here to the towns and villages erected through the instrumentality of this great improvement. We might point to the capital of the State, and show the vast increase of business and population brought there by the liberality and enterprise of this Company. We might cite the cases of Bridgeport, Altoona, Cresson, Johnstown, and many other points, where this Railroad Company has not only invested hundreds of thousands of dollars in improvements calculated to develop the resources of the Commonwealth, but has induced individual capitalists to invest millions more. We shall not, however, dwell upon these themes. As Daniel Webster said of Massachusetts: "There they are! they speak for themselves!" The return of the tax assessor has made them known to the common treasury of the people, and the traveller through Pennsylvania—be he prince or peasant—looks upon the teeming evidences of our energy and enterprise, spread along the line of this great Railroad, with feelings of admiration, not unmingled with astonishment.

Let us again resort to those stubborn arguments, figures, to show what the Pennsylvania Railroad has done for the State, by increasing the trade brought through its centre from the West to find an outlet at Philadelphia. We take the value of tonnage moved on the Pennsylvania Railroad for the following years, as it appears in a pamphlet published in 1859 by the Philadelphia "Corn Exchange Association:"

1853,	-	-	-	-	-	\$4,617,784
1854,	-	-	-	-	-	7,551,334
1855,	-	-	-	-	-	12,413,554
1851,	-	-	-	-	-	14,845,245
1857,	-	-	-	-	-	16,379,650

The years that have elapsed since the publication of this table show a still greater increase of the value of trade than is observable in the above period. We have not the time to inquire into all the advantages derived by our people from this great trade. We leave it to the intelligent reader to deduce from these facts the natural results—results that have added to the activity of our manufactories; have increased our com-

merce; have rendered agriculture more profitable by creating a certain demand for all the produce of the soil; and have, in a most remarkable degree, enhanced the value of our mineral lands by causing their rich treasures to be developed.

In regard to the impetus given to the mineral resources of the Commonwealth by the Pennsylvania Railroad, we quote some extracts from reports made by officers of that Company. On the 15th of January, 1852, Mr. Herman Haupt submitted a report to the President and Directors of the Pennsylvania Railroad Company, "exhibiting the injury that must result to the trade of the State by a continuance of the Tonnage Tax." In that document he shows, "from the Canal Commissioners' report of the preceding year, that the amount of coal shipped at Hollidaysburg—representing the produce of the Allegheny mines—was only about 50,000 tons." This was at a time when the State imposed a tax upon all coal carried over the Pennsylvania Road of three mills per ton per mile. Under the operation of that law, the coal trade, was almost prohibited over the railroad, and, as a natural consequence, it languished in a most profitless condition. But on the 7th of May, 1855, the Tonnage Tax on coal and lumber was repealed, and what was the consequence? In the tenth annual report of the Directors of the Company, dated January 31, 1857, we find the following language:

"Since the repeal of the Tonnage duty on coal, the transportation of the bituminous variety, which abounds along the line of our road, has become an important branch of the Company's business. In consequence of the distance of the mines from the seaboard, the charges of freight must necessarily be light, to permit its introduction to market in competition with that brought from the mines of Maryland and Virginia, from whence most of this description of coal, consumed in Philadelphia, has heretofore been obtained. The rate charged for its transportation is deemed profitable only in connection with other business, and with a view of keeping the rolling stock of the Company fully employed during that portion of the year when there is a scarcity of freight of other descriptions. After the superior quality of the coal of the region traversed by our road shall

have been fully established, it is believed it will command a price in the market such as to afford more remunerative rates of freight."

It is well to follow this subject further, and see the beneficial effect the repeal of the Tonnage Tax on coal had upon that most important branch of Pennsylvania industry. From the reports of the Central Railroad Company we learn that the shipments of coal over their road during the year

1856, was	-	-	-	- 100,344 tons.
1857, "	-	-	-	- 258,013 "
1858, "	-	-	-	- 340,538 "
1859, "	-	-	-	- 421,625 "

Here we have unmistakable evidence that this road has actually built up a coal trade of near half a million tons in the short space of five years. It should be borne in mind that this trade is entirely separate from that of the canal, which, we are bound to believe, has shown considerable increase since 1851, when it was returned by the Canal Commissioners at 50,000 tons per annum.

Such are a few of the beneficial results which the State has realized from the construction of the Pennsylvania Railroad. Every intelligent reader will be able to call to mind many more which our time and space will not permit us to touch upon. The thousands of merchants and citizens generally, who travel for business or pleasure, and are accustomed to seat themselves in comfortable cars, which, in a few hours, carry them to the great business and political centres of the State, many miles of distance, will at least appreciate the convenience of this road when they remember the toilsome journeys of days that were but recently required to reach the same points.

But greatly as this road has already benefitted the State of Pennsylvania, both pecuniarily and in reputation, it is yet only upon the threshold of its usefulness. Its connections are being extended year after year. A hundred iron arms are reaching out through the great Mississippi valley from the Lakes down to the Gulf of Mexico, to grasp the wealth of that gigantic garden of the world, and draw it to our borders. A half a

score of sovereign States—each a mighty empire within itself—are tributary to it, as the main artery through which must ultimately flow (if a liberal and just policy is exercised by Pennsylvania) a great portion of the commodities bought and sold for the use of their people. We do not intend to follow these connecting roads in their wanderings through the cities and towns of the Great West. We are writing as a Pennsylvanian to citizens of Pennsylvania, and it is to State pride, State interest, and State honor, that we appeal.

The bill prepared for the commutation of the Tonnage Tax provides that the rates for transportation shall be reduced for all local shippers equivalent to the tax now chargeable on their trade, and that a sum equal in amount to the tax that has accrued since the 1st of August, 1857, shall be contributed by the Pennsylvania Railroad Company to the completion of the following roads:

1. Pittsburg and Steubenville Railroad.
2. Chartiers Valley Railroad.
3. Fayette County Railroad.
4. West Pennsylvania Railroad.
5. Ebensburg and Cresson Railroad.
6. Tyrone and Clearfield Railroad.
7. Tyrone and Lock Haven Railroad.
8. Hopewell and Bedford Railroad.
9. Penn's Valley Railroad.
10. Chambersburg and Bedford Railroad.

These ten railroads will afford direct communication between the counties of Washington, Butler, Lawrence, Clearfield, Centre, Bedford, and Fulton, and the cities of Philadelphia and Pittsburg, and will offer increased accommodations to the trade and business of Huntingdon, Cambria, Mifflin, Franklin, Allegheny, and many other counties. The complete development of the resources of these localities, many of which have been neglected for years to the great injury of their people, is a subject of the greatest importance, and should be carefully considered by the Legislature. The extension of a

railroad from Chambersburg to Bedford, will place the bituminous coal fields of Pennsylvania in direct communication with a market now entirely cut off, and which requires considerable quantities of that variety of coal—a demand which must steadily and rapidly increase. It will, besides, afford facilities for reaching the justly celebrated Bedford Mineral Springs, which must soon place them in an equal rank with the health-giving fountains of New York and Virginia.

A mere reference to these facts is sufficient to show at once the importance of constructing these lateral railroads. They would be life-giving channels to large portions of our great Commonwealth—portions which, without such stimulants, must continue to languish, while other localities, no more favored by nature, but enjoying greater artificial advantages, progress steadily in improvement and wealth. Land that is now worth but a few dollars per acre, because of its isolation from all markets, would soon be greatly enhanced in value; and, reasoning from analogous cases, in less than five years after these roads shall be completed, the increased value of taxable property would bring an amount of revenue into the State treasury sufficient to satisfy all reasonable men, and amply compensate for the repeal of an unjust and unfair Tonnage Tax. And this revenue would be paid cheerfully, because it would represent property, and not be a restrictive burthen upon legitimate trade.

THE GENERAL POLICY OF TAXING TRADE, AND
THE PARTICULAR INJUSTICE OF SUCH IMPOSITIONS
UPON OUR CITIZENS WHO USE THE
PENNSYLVANIA RAILROAD, CONSIDERED.

All writers on political economy agree, that the imposition of governmental burthens of any kind on internal trade is an objectionable and erroneous policy. The progress of modern civilization and enlightenment has shown itself in nothing more than in removing burthens from the industry and ingenuity of mankind. In the dark ages, and even in modern times, in countries cursed by despotism, what were called "monopolies" were sold, giving to the purchaser, or to the favorite of a tyrant, the exclusive privilege of making or selling a useful and necessary article. But those restrictions upon free industry passed away with many other relics of barbarism, and it will not be denied that the world was the better for their extermination. Labor was first enfranchised in the free cities of Europe, which, by purchase or pertinacious resistance, wrung from tyrants the right to toil, and to enjoy its results. Labor brought wealth; wealth power; and power the greatest scope for the exercise of the natural faculties and rights of man. The seed planted in weakness, and protected amid great perils by untiring vigilance and energy, has grown into a tree that covers the earth. Its fruit is whatever valuable we possess in wealth, in art, in religious and political freedom, and in social life. It has been so often repeated as to become an axiom, that power is "continually passing from the many to the few;" and it was only by continued vigilance that the blessings gained by the industrious Lowlanders were saved to the people everywhere. Rulers are apt to "govern too much;" and it matters not whether the power of government is wielded by a despot or by representa-

tives, the danger is always in favor of too much authority being exercised—never of too little.

The taxing of *processes* instead of *results* is surely a wrong principle; and hence the imposition of restrictions upon local trade, instead of taxing the results of that trade—the wealth it might produce—is not a sound principle of governmental policy. For instance, it is well known that the invention of the Cotton Jenny by Sir Richard Arkwright, revolutionized the trade of the world. It created a commerce; stimulated the tillage of the soil to an unprecedented extent; and brought plenty and opulence to a class of people who had before been suffering in almost hopeless poverty. This invention was an improvement—a great one, it is true—on the process of making cotton thread; the old spinning-wheel was superseded, and the world was clothed and made rich by the power of machinery. Suppose the government of Great Britain had levied a tax,—had imposed restrictions upon this new process, would the cities of Manchester, and Birmingham, and Leeds have had an existence? and would the millions of revenue now derived from their wealth ever have reached the treasury at London? The principle is the same whether it be applied to the revolutions of car-wheels employed in carrying a ton of cotton, or to the revolutions of a main-shaft of a manufactory employed in manufacturing that cotton into cloth.

Our people have always been opposed to such restrictions. When the United States Government imposed an onerous duty upon whiskey, they rebelled; and why? Because the tax was not fair, and interfered with a business which promised to bring them remunerating prices for the produce of the soil. The farmers who lived in Western Pennsylvania had no means, before the present century, of sending grain or flour to the markets on the Atlantic coast; hence they erected distilleries by which they could reduce the bulk of many barrels to one, and the same price could be obtained in market for the one as for the many. The government interfered with this process, and the people rebelled. They continued to resist, and the “restriction upon trade” was removed. Cases of this kind have not been confined to our own State. The “embargo

laws" of the general government, passed at the commencement of the present century, were resisted in New England until they were obliterated. Similar instances have occurred in all parts of the country, proving clearly that the principle of taxing *processes*—of imposing unfair restrictions upon industry and trade—has never received the approbation of the free people of America, when the nature of the burthen was clearly comprehended.

It is alleged that the tax on tonnage carried over the Pennsylvania Railroad was imposed for two purposes: First, to protect the State Canals and Railroads against competition; and Second, to produce revenue for the liquidation of the indebtedness of the Commonwealth. The first of these purposes has ceased to exist, because the State has now no canals or railroads to protect. The second remains, and it is to this that we must devote some attention. Let us, then, consider the Tonnage Tax as a *revenue measure*; and in connection with this consideration, glance at the financial condition of the Commonwealth.

The imposition of a tax upon tonnage tends to drive away trade from any line of transportation. This is a self-evident, indisputable fact. No law can be passed compelling a shipper of goods to select a certain channel of transportation. If two, four, or six routes of trade or travel are open by which he can reach a given point, he will take just which one he pleases, and the Legislature cannot restrain him in his choice. He can carry his produce to market in an ox-cart, a Conestoga wagon, a canal boat, or a railroad car, just as suits his fancy or convenience. But the Legislature can offer inducements to him to choose a certain route, or it can impose restrictions which will drive him from it. Suppose, for illustration, one million tons of freight are to be shipped from Chicago to the cities on the Atlantic seaboard. This freight can reach its destination by the Canada route, the Boston route, the New York route, or the Pennsylvania route. Suppose the regular railroad charges between Chicago and Boston, New York, or Philadelphia to be the same, the chances for all the routes leading to those cities are then precisely equal. But in this case the Legislature of Pennsylvania interposes, and says to the Chicago shipper, "If

you bring your freight through our State you must pay into the treasury, in the shape of a Tonnage Tax, one dollar per ton for every ton you carry between Pittsburg and Philadelphia," are the chances then equal? Assuredly not. A restriction has been imposed which must drive this freight to another channel of trade. As an inclination of one inch per mile gives a decided impulse to the flow of water, so a cent per ton often decides whether freight in the interior of Ohio, or Indiana, or Illinois, shall come to Philadelphia, or be sent down the Mississippi to New Orleans, or find an outlet at New York, Boston, or Baltimore.

But the taxing of *processes* is not a politic revenue measure, because, as we have just shown, it tends to keep from us the products of distant regions, which, if brought to our manufacturers, would produce an amount of wealth incalculably more beneficial to the State than the small sum derived from the original restriction. For example: Suppose a tax of five dollars per ton to be placed upon a cargo of black walnut coming from Indiana. The effect of such a tax would be, either to prevent its exportation altogether or to send it to other markets. Once brought to our own, it is no unreasonable supposition to estimate the values into which it might be converted by the skillful hands of our artisans at \$50,000. A tax of one per cent. on this sum, and which would be easily and cheerfully paid, would yield \$500—a sum greater, perhaps, than the first cost of the raw material. By an unwise mode of taxation we banish from us the very means of creating values, and of giving employment to our workmen and to our commerce. By taxing *results* alone, we not only gain our object—a revenue—but we attract instead of repel the products which form the basis of our commerce and manufactures, and consequently wealth, and which supply the greater portion of the food we consume.

While we admit that, as a general rule, "comparisons are odious," and that they are particularly so when instituted to show the relative progress of New York and Pennsylvania, yet we cannot avoid calling attention to a few facts bearing upon this part of our argument. Hon. Charles Gibbons, in a speech

before the Committee of Ways and Means of the Pennsylvania Legislature, gave some interesting statistics showing the progress of the towns and cities in the State of New York. Speaking of the opening of the Erie Canal, in 1825, he says:

“There was not then a town of importance, in that State, west of Albany; and Albany, chartered in 1682, and in direct communication with the city of New York by means of a navigable river, had grown so slowly that in 1820, at the ripe age of one hundred and thirty years, it contained but 12,600 inhabitants. The population of Buffalo, which was originally laid out by the Holland Company, in 1801, was 2,500. Within five years after the opening of the canal, the population of Albany was doubled, that of Buffalo trebled, and Utica and Rochester became cities, each containing 9,000 inhabitants. The New York Central Railroad, afterwards constructed, and following the line of the canal, added its influence in the development of the country which it spans, and now Albany with a population estimated at 70,000, Utica at 28,000, Auburn at 15,000, Syracuse at 35,000, Rochester at 50,000, Lockport at 20,000, and Buffalo at 80,000, besides a number of towns and villages, rising from the path of those improvements, attest the wisdom of a Clinton, and pay tribute to the State of New York. The city of Troy, only six miles distant from Albany, contained in 1820 about 5,000 inhabitants. The Erie and Champlain Canal, and the railroads that connect her with the North and the West, have since become the sources of a prosperity now shared by her population of near 50,000 souls.”

The control of the trade of the Great West was the stimulant on which those inland towns and cities grew so great. The wealth of that teeming region, watered by the tributaries of the Mississippi and washed by the great Lakes, sought an outlet at New York, and on its way passed at their doors and paid tribute. Will any one pretend that New York, as a State, would have been benefitted more by taxing this great trade than she has been by permitting it to pass free, and build up towns and cities by the score on its channel? Has not a greater revenue been derived from the permanent wealth thus created than could have been gained by a tax imposed upon all the

tonnage which rolled through from Lake Erie to Long Island? Look, now, at our own State, and see the advantages it possesses, but which have slumbered, like Rip Van Winkle, while progress was all around it. What natural favors are enjoyed by Troy, Syracuse, Utica, Auburn, and Portland, that Harrisburg, Lewistown, Johnstown and Huntingdon do not possess? Our mineral wealth is greater than that of New York; our soil is as rich; our climate more genial. Why should not we, then, have a chain of cities,—rich, great, prosperous—connecting Philadelphia and Pittsburg? Why should not Pennsylvania be the manufacturing centre for the North-West, and its commercial mart as well? Let us profit by the example presented in New York; and, in the true spirit of liberal and generous enterprise, enter the lists for the great prizes of wealth and power.

Pennsylvania has, for years, been clamorous in her demands for a protective tariff. Her statesmen have made eloquent appeals on the floors of Congress for legislation that would enable her mineral wealth to be thoroughly developed, and protect those engaged in the manufacture of iron and the mining of coal from ruinous foreign competition. She has pointed to her many silent forges and deserted furnaces—to the sad record of bankruptcies and failures presented by those who have engaged in the iron and coal business—and has begged of her sister States for relief and encouragement. Of late, a deaf ear has been turned to her appeals; and those who have sneered at her most, and have shown the least disposition to extend to her aid and comfort, were the States of New York and those comprising the great North-West. They have not been blind to the contracted policy which burthened their trade as it passed through our limits. The fact that we taxed their products when seeking a market on our own soil, has not been unknown to them; and more than once have our appeals been answered by a reference to our own want of liberality and justice. We have now millions of dollars, invested in iron manufacturies, which is not as productive as capital in this new country ought to be. The largest establishments of this kind on the American continent are within our borders, and year after

year our people are humiliated and distressed by seeing them abandoned and idle—the fires dead; the machinery still; the honest laborers, dependent upon them, out of employment and suffering for the necessities of life. Much of this is justly to be attributed to the selfishness of portions of the Confederacy, which, having no interest in protective revenue laws, deny them to those whose very life depends upon the fostering care of government. But the policy of our own laws hangs over many of those iron manufactories as a depressing cloud. Thousands of tons of iron, manufactured in the interior of Pennsylvania, are shipped annually to Pittsburg, and other points in the West, to be sold or worked up into articles of trade and domestic use. *Every ton of this iron is taxed, by our own Legislature, for passing over our own soil.* The manufacturer in Berks, Lebanon, Dauphin, Perry, Huntingdon, Blair, Cambria, Westmoreland, and other counties, who ships his iron by railroad to the West, is compelled to pay *three mills per ton per mile into the State Treasury* for the privilege of doing so. Every ton of railroad iron made at the great Cambria Works—works that are an honor to our State—is compelled to pay a tax before it can reach its destination in Western States. Can we ask for protection from the General Government when we thus prey upon ourselves? It is time that those of our citizens interested in the iron trade of Pennsylvania—and who among them all is not?—should seriously demand a more liberal policy from their own local government.

We come now to the consideration of the second proposition presented at the commencement of this division of our subject, viz: The particular injustice of taxing the tonnage of the Pennsylvania Railroad. And here let us briefly revert to the origin of this tax, that our position now may be clearly ascertained. At the time the Company was incorporated for the purpose of constructing a railroad from Harrisburg to Pittsburg, the State owned and operated the canals and railroads connecting those two points. The construction of a railroad parallel with this line of improvements, it was contended would destroy their *value*—they produced no *profits* to be destroyed. To make amends for this, a tax was imposed upon all tonnage

carried by the railroad. Under this restriction the road was built. It was not then argued that the Tonnage Tax was intended as a revenue measure: it was imposed merely to protect the State Canals and the Portage Railroad, in which improvements the Commonwealth had invested many millions of dollars. But whatever argument might have been used in favor of this tax while the State owned and operated the Main Line, certainly ceased when that line was sold.

The reasoning then, if sound before, had, logically, a reverse application. If the object of the tax on the railroad was to protect the canals, when the canals no longer needed protection, the tax should cease, because the reason for its imposition had ceased. Especially is this view sound in this case, inasmuch as the Railroad Company having purchased the canals, they could not need protection against themselves, and the canals and railroads, having now a common owner, a tax on one was a tax on both, and thus, what was pretended to have been originally imposed as a virtual premium to the canal, became ultimately an actual burthen on it, or rather on all citizens using it.

The Legislature which directed the sale of the Main Line of the public works, recognized this view by providing, that if the Pennsylvania Railroad Company became the purchasers, they should, under certain contingencies, be forever discharged and freed from the Tonnage Tax and all other taxes, with certain specified exceptions. The Supreme Court held that this was too broad, inasmuch as it amounted to alienation of State sovereignty, and was to a certain extent void as a contract to bind future Legislatures. But the legislative declaration of public policy, and of what justice to the Company demanded, was complete, and thus the Company purchased the canals and connecting Railroads. An implied moral obligation therefore rests on the Legislature to carry out, to the extent of their power, the intentions of their predecessors of 1857, by repealing this Tonnage Tax, unless in doing so they would clearly violate their duty to their constituents.

There can be no argument used in favor of the continuation of this tax, in view of the facts above set forth, except that it is

a revenue measure necessary for the credit of the Commonwealth. In reference to this, facts and figures can be produced sufficient to satisfy any unprejudiced mind. The last report of the Board of Revenue Commissioners of Pennsylvania, made to Governor Packer on the 2d of March, 1860, states that "from the evidence before the Board, it would appear that the average valuation of the assessors of the several Counties of the State is from fifty to sixty cents on the dollar—probably less."

"Under the action of the present Board, the whole amount of real and personal estate made taxable for State purposes, is \$569,049,995 00. It will be readily conceded, that the real estate of Pennsylvania for exceeds, in value, that of Ohio, and both the real and personal estate of Pennsylvania falls \$72,-868,156 00 short of the assessed value of the land only of Ohio.

"In the State of New York, also, under a different mode of assessment, the real and personal property of the State is valued for the last year, at a fraction over fourteen hundred millions of dollars. Their system of assessments is far preferable to our own, so far as reaching the cash value of property, but this may not be so desirable as uniformity in value."

Here we have unmistakable evidence, from the highest authority, that the valuation of taxable property for State purposes, is not over one-half of its real value, and that, in comparison with neighboring States, it is extremely low. Yet we find that even on such a valuation the rate of taxation could be reduced, three years ago, half a mill, and the Revenue Board recommending a further reduction of half a mill, making the rate of taxation for State purposes two mills on a dollar at an assessment of one-half the value of property, *or one mill on the dollar at cash value!* Surely the financial condition of the Commonwealth is not desperate when this rate of taxation is all that is required.

But this report furnishes other facts and arguments bearing upon our subject. We quote:

"The revenue arising from the adjusted valuation established by this Board, of the property subject to two and a half mills, at two mills on the dollar, will amount to the sum of \$1,127,-155 59. To this add the sum available from the one and two

per cent. classes, and the tax on watches, and it amounts to \$1,197,661 56.

"We recommend to the Legislature the reduction of a half mill on the property subject to the two and a half mill tax. This item is chiefly made up of land. During the last fiscal year the sum of \$849,289 60 was appropriated by the Commissioners of the Sinking Fund to the cancellation of the debt of the State; nearly a million of dollars. Under the present adjusted valuation by this Board, the sum arising therefrom, together with the other sources of revenue, will pay the interest on the State debt, the expenses of government, and leave available to the Commissioners of the Sinking Fund, applicable to payment of State debt, a half million of dollars annually. Is not this sum sufficient for us to pay annually on our debt, considering that the present generation has had a more grievous burthen to sustain, in the way of taxation, than any preceding one, or any that will in all probability follow it? The Constitution has put a limit to the increase of the State debt. It cannot be enlarged except under extraordinary circumstances. It is to be hoped that they may not arise. If they do, let the day and the time provide for the emergency.

"If the Commonwealth can be relieved of her indebtedness, at the rate of a half million of dollars annually, it is making all the progress which should be required. It would be wise to pay at once if we had the means. But this cannot be done without absolute oppression to the people. At the reduction of a half million a year, we will have done our part. Let us have partial rest, at least. Let our children cancel a part of the mortgage, for though their inheritance will come to them encumbered, there will be no danger of foreclosure; with half the industry and perseverance of their fathers, they can meet the remaining instalments.

"There is another view in which this subject is to be considered. An overflowing treasury is a bad thing. It were far better to have only money enough to meet the pressing and urgent demands on it, than to have one cent of surplus. So long as there is unappropriated money in the treasury, there will be ways and means devised to get at it. This is the inevi-

table conclusion of each day's experience; such has been the result of the past, and such will mark the future. Of this we speak as a principle; we design no reflection upon our legislative body; it is the farthest from our thoughts. But States are like men; if the money is not in the pocket it cannot be spent, and so with the treasury of the State. It cannot be reached if not there, because the fundamental law of the State has reared a barrier against the increase of the public debt."*

Surely no one will contend, in the face of all this testimony, that the financial condition of the Commonwealth requires the imposition of a tax on all tonnage carried over the Pennsylvania Railroad. If it is not, then, a necessity, it must be imposed upon principle, and where is the justice of a principle which taxes one line of railroad exorbitantly and permits all others to

*Since the above was written, the last annual message of His Excellency, Governor PACKER, has been sent to the Legislature, and it is gratifying to find in that able document, confirmatory evidence of the prosperous financial condition of the Commonwealth. His Excellency says, "that during the past three years the State has not only met all her ordinary liabilities, including the expenses of government and the interest on her public debt, but has diminished her actual indebtedness the sum of \$2,236,882 15." He also shows that there was an available balance in the Treasury, on the 1st day of December, 1860, of \$681,493 08. His Excellency still further states: "that for the past three years the tax on real and personal estate has been but 2½ mills on the dollar—that for the past two years and six months the State has received no part of the tax on tonnage due from the Pennsylvania Rail Road Company—and that since July, 1859, the interest on the bonds held by the State against the Sunbury and Erie Rail Road Company has remained due and unpaid," and congratulates the Legislature on the fact that, "without the aid of these important sources of revenue, so great a reduction of the public debt has been accomplished in comparatively so short a period." These statements clearly show that there is no necessity for continuing this burthen upon the people who use the Pennsylvania Railroad. If the State can reduce her debt, as the Governor proves, at the rate of over \$750,000 per annum, without the aid of the "extraordinary revenue" derived from a tax on the business of a large portion of our citizens; with a rate of taxation on real and personal estate of only 2½ mills on the dollar, on a valuation of less than one-half the actual value of the real and personal estate of the Commonwealth; and with a source of revenue recommended and urged upon the Legislature by himself and by the Treasurer of the State, by which the sum of \$300,000 can justly and fairly be brought into the Treasury annually, in addition to that now received, it would certainly be the part of justice and wisdom to relieve those oppressed people from their burthens.

go free? What reason can be assigned for imposing this tax upon the Pennsylvania Central that will not apply with equal force to the Reading? to the North Pennsylvania? the Allegheny Valley? and every other road in the State? If railroads are to be taxed for purposes of State revenue, in the name of justice and honor, tax them all alike. Let not one or two be singled out to bear all the burthens of such a policy.

It is gravely contended by some who oppose the repeal of this tax, that it is the result of a contract with the Commonwealth, and that no matter how burthensome it may be, the railroad must submit to it, because it accepted the charter with this provision in it. An argument of this kind is hardly worth consideration, and would be passed by in silence were it not seriously urged by men of intelligence. History informs us that the laws of the Medes and Persians were irrepealable—that once enacted they remained unchangeable, no matter what evils might result from them. These opponents of the repeal of the Tonnage Tax argue upon the same principle. Notwithstanding the reason for the imposition of this tax has passed away: notwithstanding the financial condition of the Commonwealth is such as to admit of an odious restriction upon trade being removed; yet these gentlemen contend that it ought to remain forever. Never, since our government existed, has a session of the Legislature passed without laws being enacted “for the relief” of something or somebody. Have these laws all been wrong in principle, because they almost invariably released the object of their favor from some agreement with, some responsibility towards, the Commonwealth?

Pennsylvania has always heretofore pursued a liberal policy towards public improvements of all kinds. There is not a nook or corner of her territory in which she has not spent money to construct roads or canals, build bridges, improve water-courses, or assist in some improvement intended for the public good. What has she received in return for all this? Where is the improvement in which she held stock that has paid back the amount of the original investment? Railroads are now in profitable existence in which she once held stock which was sold at one dollar per share, when the par value was fifty dollars. In

the last annual report of the Auditor-General we find a statement of the amount of stocks held by the Commonwealth in sundry incorporated companies, on the 1st of December, 1859, which shows an aggregate of \$1,746,545 62. Of all this sum the probabilities are that she will never realize the odd thousands, perhaps not even the hundreds. If she could be thus liberal years ago, when she was poor and needy, can she not be just now?

The amount of revenue derived from the Pennsylvania Railroad annually, exclusive of the Tonnage Tax, is greater than the amount paid by any three other railroads in the Commonwealth, while the capital stock of that Company is not equal to the capital stock of the Reading Railroad Company. We annex a statement of the amount of tax paid to the State, (exclusive of the tax on tonnage,) by the Pennsylvania Railroad Company, during the past four years:

1857,	-	-	-	-	-	\$74,857 82
1858,	-	-	.	-	-	67,669 96
1859,	-	-	-	-	-	75,674 99
1860, paid and estimated,				-	-	80,748 27
Total,	-	-	-			<u>\$298,951 04</u>

The amount of Tonnage Tax paid by this Company up to the time of the purchase of the Main Line of Canals and Railroads, was \$724,579 90. These figures show that the Commonwealth has no reason to complain of the revenue derived from this Company. But because it has found the Pennsylvania Railroad thus profitable to the public treasury, shall it continue to cry, like the horse-leech's mother, "Give? give!" and never be satisfied! Surely, such a policy will not mark the golden days of prosperity of the Old Keystone State.

THE RIVALRY BETWEEN EASTERN CITIES FOR THE TRADE OF THE WEST—THE DUTY OF PENNSYLVANIA—CONCLUSION.

Independent of the Canada route, which has been constructed at an immense outlay of capital, and which taps the Lake trade at different points, there are three great competing routes for the commerce between the Atlantic seaboard and the West, viz: The New York Railroads; the Baltimore and Ohio; and the Pennsylvania. These lines have their eastern termini at New York, Baltimore, and Philadelphia; and those cities may, therefore, appropriately be considered as the competing rivals for a trade which is now counted by hundreds of millions annually.

Of the geographical position of those cities, with reference to this trade, it is unnecessary to speak at length here. Every man who glances at a map of the United States will see, that if Philadelphia is not a principal outlet for the products of the West, it must be attributed to some cause aside from her location; and if he turns to her own record, he will observe that her course has been shaped so as to encourage, in the most liberal manner, this great trade. That city has aided most munificently the construction of various railroads calculated to develop the resources, and enhance the interests, of the Commonwealth. In the language of Mr. Gibbons, when addressing the Committee of Ways and Means of the Legislature, "she pays into your treasury one-third of all the revenues collected in the State. She pledged her credit to the extent of five millions of dollars to aid the construction of the Central Railroad. She invested one million four hundred thousand dollars in the stock of the North Pennsylvania, seven hundred and fifty thousand dollars in North Western, and five hundred thousand dollars in

the Hempfield Railroad Companies. [To this may be added two millions two hundred and fifty thousand dollars subscribed to the Sunbury and Erie Railroad.] Her citizens have sent millions more into the interior to be employed in improvements and enterprises of various kinds, from which the State is receiving daily benefits in the development of her wealth." Her commercial apathy must, therefore, to some extent, at least, be attributed to the illiberal policy pursued by the State Legislature. While New York State does all in its power to advance the commercial greatness of the city of New York, Pennsylvania has, for years, dealt with Philadelphia, and the commercial interests of the Commonwealth, as though they deserved no favor or protection. The tax imposed upon the trade which she now has with the West is conclusive evidence of this. It cramps her energies, destroys her enterprise, and injures her business reputation.

In a former part of this argument, we quoted from a memorial of the City Councils of Philadelphia, to show that the Pennsylvania Railroad was not constructed as a mere dividend-paying speculation,—that the objects of those who aided most liberally in originating and completing it, were higher and nobler than the mere realization of so much per centum upon the capital invested. They hoped to see great benefits derived by the people of all parts of the State from this improvement. They desired to attract, by offering inducements for it, a liberal portion of a lucrative trade through our territory, knowing that such a consummation would benefit all classes of the community: the merchant, by increasing his commerce; the manufacturer, by creating a demand for the productions of his skill; the farmer, by enhancing the value of his land; and the laborer, by rendering honest toil more lucrative. To a certain extent these dreams have been realized: not in the fullness and completeness that should have crowned them, but still realized. In olden times, tradition tells us, it was customary to place a bushel of corn in one end of a sack, with rocks in the other end to balance it, and thus compel the poor pack-horse to bear a double burthen on his weary way to the mill. Ingenuity had not then discovered that the bushel of corn could be divided so as

to balance itself. The law-makers of Pennsylvania have pursued a course similar to this. They placed an unnecessary burthen upon a great improvement, and have hitherto insisted that it should be borne. They did not perceive that this burthen increased the price of every barrel of flour—every cargo of pork—every bushel of grain brought from the West and consumed by the people of the East; and when their attention was called to the oppression, they answered, as the Italian peasant answers when asked why he plows his land with the bent bough of a tree, “Thus our fathers did!”

Our people, then, who reside in Philadelphia, Pittsburg, and other portions of the State, have not only the great object they had in view in constructing this road defeated, to a certain degree, by an illiberal State policy, but they find that this same policy increases directly the price of every article they purchase for their use or comfort. They are compelled, by an onerous system of taxation, to do less business than their natural advantages entitle them to, and at the same time pay higher rates for the necessaries of life. While other cities, which do no more for the States in which they are placed than Philadelphia does for Pennsylvania, receive encouragement and assistance from the rural districts, our chief metropolis is denied even justice; and in return for her liberality in developing the resources of the Commonwealth, she receives oppression and wrong.

But this tax upon the business of the principal railroad in the State, lays its iron hand upon citizens who live outside of Philadelphia. Every farmer, merchant, and manufacturer who transports goods a distance of twenty miles over the Pennsylvania Railroad, is compelled to pay this tax; and thus the profits on what he sells are diminished, while the cost of what he buys is increased. The Tonnage Tax is, therefore, a burthen upon every citizen of the Commonwealth who does business over the Pennsylvania Railroad, and upon our citizens alone. In laying this tax, the law declares that it shall *be upon all tonnage*, but the Company cannot assess it upon freight carried from points in the West, where the transporter has the choice of routes for reaching the Eastern markets. If they did this,

business would be driven from their road, and would necessarily seek an outlet by way of Baltimore or New York. To secure a fair share of the trade of the West, the Pennsylvania Railroad must carry the produce of the West at as low rates per mile as other roads will carry it; and how can this be done if, in addition to the actual cost of transportation, a heavy State tax has to be paid upon it? At first glance, the additional imposition placed upon the local, and not upon the through freight, might seem unfair on the part of the Company, but a little consideration will convince any intelligent man that no other course could be pursued by them. They must either drive all through trade from the road and from the State, or they must carry it as low as it can be transported through New York or Maryland. The oppression which our citizens using the road have to bear, and which those in other portions of the State are exempt from, is not therefore inflicted by the managers of that improvement, but by the law-making power of the State. If the State will remove the tax, the Company will at once reduce their rates of transportation. This they did when the restriction was removed from coal and lumber; and this they stand pledged to do now on all articles transported over their road subject to present taxation.

The discriminations against our own citizens which we have pointed out, and which a little reflection will convince any one are not imaginary creations for the sake of argument, are so manifestly unjust as to excite surprise that they have been so long quietly submitted to. The patience with which they have been borne can only be accounted for by the presumption that their burthens have not been fully comprehended by those upon whom they were inflicted. No wise and just Legislator will desire to continue upon our statute books a law which thus draws distinctions between the citizens of a great Commonwealth—citizens who, be they high or low, rich or poor—live they on the shores of the Delaware, the Juniata, the Schuylkill, the Conemaugh, or the Allegheny, are entitled to equal rights and equal privileges.

There is another aspect in which the necessity of a liberal policy on the part of Pennsylvania presents itself, that, however

unpleasant it may be, should not be shut out from our minds. Prudence dictates that the shadowy warnings of dire events, no matter how uncertain they appear, should not be unheeded by any people. Many instances might be cited to show that clouds, no larger than a man's hand when they came upon a nation's horizon, have spread until they overshadowed everything, and the storm which burst from them swept the institutions and customs of years away, as the rushing tide obliterates a writing on the sands of the seashore.

Just now there is a cloud gathering over the hitherto bright sky of our own beloved country. How long it may continue, or what may flow from it, human perception cannot foretell. Every patriot hopes and trusts that it may pass away and leave no sign, but it is not well to remain inactive in this desire. As citizens of a great State, centrally located, and uniting within our limits the waters of the two great oceans, we should pursue such a course now as will prove advantageous to ourselves and our posterity, come what may. It is possible that a few years, nay, even a few months, will see the mouth of the Mississippi river closed to the free and uninterrupted commerce of the great North-west. It may be that a hostile power will place itself upon the Father of Waters and demand tribute for the right of sailing down it to the trackless ocean. In such a contingency, what route of communication between the West and the Atlantic coast could compare with that through our own State, if the restrictions now placed upon it were removed? A wise policy on the part of our Legislature—a policy which looks beyond the petty gains wrung from an oppressed community—would elevate Pennsylvania into a position of commercial and productive importance which the revolutions of centuries could not destroy. A liberal course on our part toward the States lying in the head of the Mississippi Valley—States settled by our brethren, and whose institutions are modelled after our own—would link them around the old Keystone in a bond of fraternal union that fanaticism could never destroy.

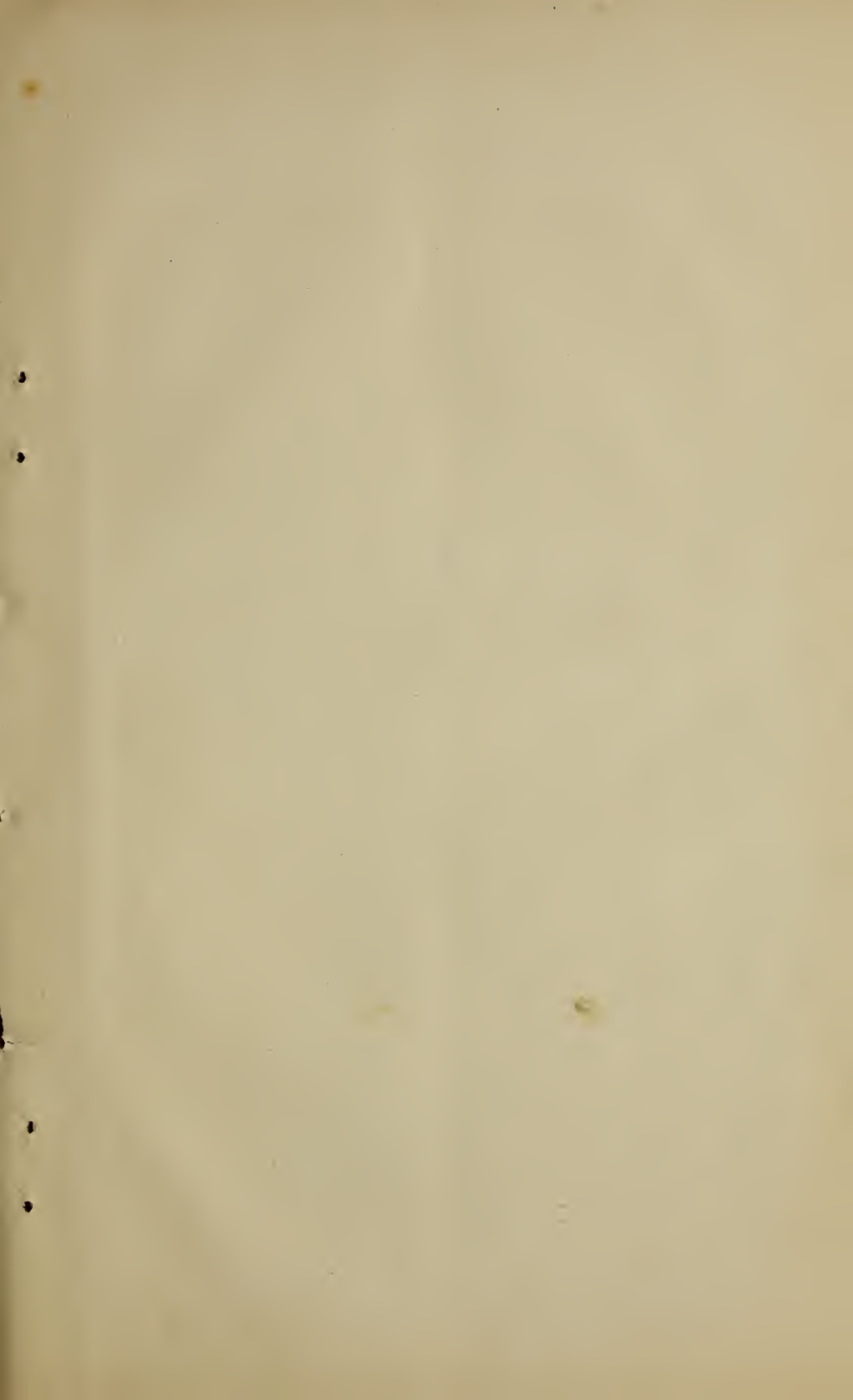
In view of all these facts, present and contingent, is it not time that our discriminating and restricting policy were changed? Is it not time that our own people were relieved

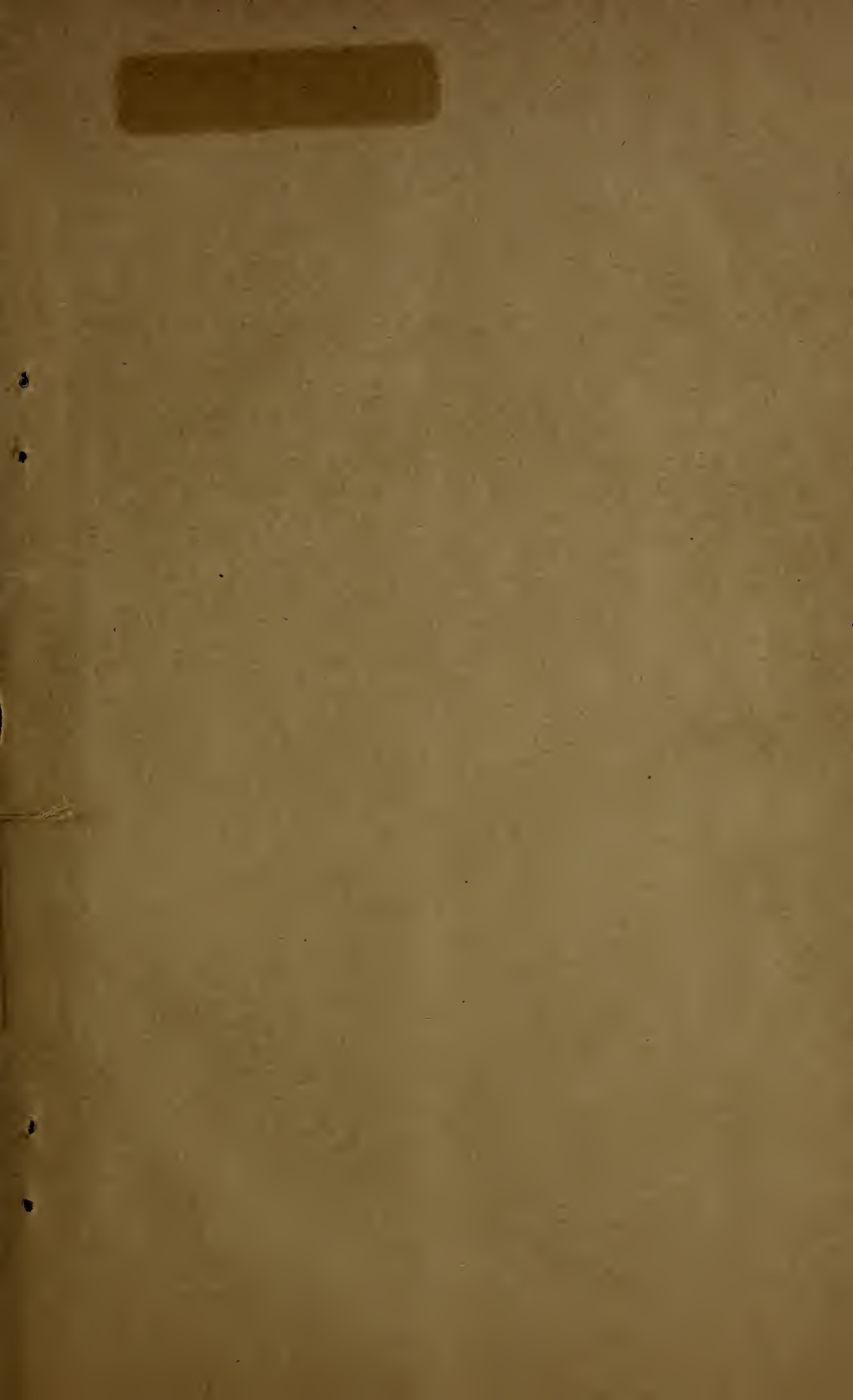
from burthens upon their industry and enterprise, and those of sister States be given to understand that Pennsylvania intends to use, properly and liberally, the many advantages she enjoys. Our system of railroads will soon, after years of trial and labor, be perfected. New York sees this, and she is exercising all her ingenuity to overreach us again, as she has in times past. From a pamphlet lately printed in that city, and devoted to the interests of the Erie Railroad, we learn some of the gigantic schemes in contemplation by which a monopoly of the Western trade is to be maintained. The writer assures the citizens of New York that they "make a very great mistake in regarding the New York and Erie Railroad as having been completed. * * *

It is not enough that this road should be made to reach the *borders* of the West. It must penetrate, cross, traverse the West. It must be able to reach out and grasp the products of Ohio from the river to the lake. It must have its tributaries in Indiana—they must radiate from Chicago, and it must meet the commerce of the Mississippi and Missouri at St. Louis. This was the great *idea*, the comprehensive philosophy, the fundamental principle of the broad theory to which this road owes its origin, and to the wisdom of which every day's observation, and every year's experience testifies. Works that to some extent are to effect all this, are now constructed, or in process of construction."

Surely it is enough for Pennsylvania Legislators to be apprised of these efforts on the part of our business rival to rob us of a just share of trade, to induce them at once to take such measures as will save us from further humiliation. We have shown that the interests of Pennsylvania will all be subserved by the repeal of the Tonnage Tax—that the bill asking for that repeal is so drawn as to secure to a large portion of the State immediate and great advantages. We have shown, from official records, that the financial condition of the Commonwealth is such that the continuation of that unjust tax is not required as a source of revenue. We have shown that it operates to the injury of our foreign and domestic trade—of our manufacturing, agricultural, and mineral interests, and to the detriment of our reputation as a great Commonwealth. Can any further argu-

ment be necessary? Will a blind prejudice be sufficient to cause justice to be withheld from a great improvement, built by the money of our people for their mutual advantage? We think not. The time for such narrow prejudice has passed by; and hereafter, it is to be hoped, our Legislators will not ask, "Is this measure for the interest of my county? Will it prove of immediate advantage to my constituents?" but that they will act on the great and noble principle of legislation proclaimed by Daniel Webster, that "one who possesses too little comprehension, either of intellect or feeling—one who is not large enough in mind and heart, to embrace the whole—is not fit to be entrusted with the interest of any part."







3 0112 061937014